

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, September 26, 2006, the following members were present:

Greg Jergeson, Chairman
Brad Molnar, Vice Chairman
Doug Mood, Commissioner
Robert H. Raney, Commissioner
Thomas J. Schneider, Commissioner

APPEARANCE

Wayne Budt, Administrator
Transportation & Centralized Services Division

(379) In the matter of T-06.25PCN – on July 20, 2006 Thomas S. Banstra, dba Mountain Wind Construction, Livingston, Montana filed an application for a certificate of Public convenience and necessity. That application was noticed to the public August 10, 2006 and a protest was received.

Commissioner Raney moved to approve the grant of authority as the parties have stipulated. Commissioner Mood seconded the motion, which passed unanimously.

(380) In the matter of Commission Minutes:

Commissioner Mood moved to approve the Commission Minutes for the week of September 18, 2006. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Scott Fabel, Utility Division

(381) In the matter of Sprint Communications – N2006.9.132 – on September 7, 2006 Sprint filed charges in its Montana Price List. In this filing Sprint is requesting to grandfather several residential services. Sprint request that this filing become effective October 1, 2006.

Commissioner Schneider moved to approve Sprint's tariff filing in N2006.9.132. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Eric Eck

(382) In the matter of NorthWestern Energy - D97.11.219 – on September 8, 2006, NWE filed its semi-annual true-up Advice Letter pursuant to Order No. 6035a. This filing is made by NWE in its role as server of the Natural Gas Transition Bonds. If the previous six-month period variance between the scheduled debt service and the actual amounts available to satisfy the scheduled debt service for such period exceeds 2 percent NWE is required to apply for adjustment to the Fixed Transition Amount (FTA) charges. The variance for the period was an

over collection of 6.14 percent or \$229,945. A decrease in FTA-GP, FTA-RA (Core), FTA-RA Utility, and an increase in the FTA-RA (Non-Core) rates is necessary based on future payment obligations and projected market load. The new FTA rates should ensure enough funds are collected to make the principal and interest payment.

Commissioner Raney moved to approve the rate changes to the FTA charges to service Natural Gas Transition Bonds effective October 1, 2006. Commissioner Molnar seconded the motion, which passed unanimously.

APPEARANCE

Robin McHugh, Legal Division

(383) In the matter of the Commission's discussion of D2005.4.49, D2006.9.137 - Mountain Water Company:

Commissioner Molnar moved to grant the extension in D2005.4.49. Commissioner Mood seconded the motion, which passed 3-0. Commissioner Schneider was the third vote on this issue.

APPEARANCE

Will Rosquist, Utility Division

(384) In the matter of the Commission's discussion of D2005.10.156 - MDU application for approval of natural gas conservation programs:

Commissioner Raney moved to direct staff to draft a final order approving the programs indicated and disapproving the high efficiency boiler as indicated, and continue the interim order on lost recovery on the condition they address the concerns over savings verification prior to receiving final approval. Commissioner Mood seconded the motion, which passed 4-1. Commissioner Molnar voted no.

APPEARANCE

Bob Raney, Commissioner

(385) In the matter of the Commission's discussion of D2004.7.99, D2004.12.192, D2005.6.106 - NWE - consolidated dockets on gas and electric USB programs and charges:

Commissioner Raney moved that the staff prepare an extension of the interim order in the combined consolidated dockets in D2005.6.106. Commissioner Mood seconded the motion.

Commissioner Raney withdrew his motion. Commissioner Mood withdrew his second.

Commissioner Raney moved that the Commission reconsider its direction to staff to issue a final order in the consolidated dockets ending in D2005.6.106. Commissioner Mood seconded the motion, which passed 3-2. Commissioner Schneider and Commissioner Molnar voted no.

Commissioner Raney moved to have staff draft an extension of the interim order in the consolidated dockets ending in D2005.6.106. Commissioner Mood seconded the motion.

Commissioner Raney moved to amend the motion to have staff draft an extension of the interim order in the consolidated dockets ending in D2005.6.106, and further that staff describe in that order the manner in which the renewable and demand side management programs have been incorporated in portfolio and other related NorthWestern orders. Commissioner Mood seconded the motion, which passed 3 - 2. Commissioner Schneider and Commissioner Molnar voted no.

APPEARANCE

Al Brogan, Utility Division

(386) In the matter of the Commission's discussion of D2006.6.82 - NorthWestern Corporation - in the Matter of the Joint Application of NorthWestern Corporation and Babcock Brown Infrastructure Limited, BBI US Holdings Pty Ltd., BI US Holdings II Corp., and BBI Glacier Corp. for Approval of the Sale and Transfer of NorthWestern Corporation Pursuant to a Merger Agreement:

Commissioner Raney moved to waive the ARM citation for the purpose of consideration at a later work session. Commissioner Mood seconded the motion, which passed 4-0. The vote was left open for Commissioner Schneider who had to leave the meeting.

(387) In the matter of the Commission's discussion of D2005.7.110 - City of Great Falls/Electric City Power, Inc. - in the matter of the application by the City of Great Falls to operate a limited small commercial and residential electricity supply program:

Commissioner Jergeson moved to approve the draft order changing the word "will" to "may" in paragraph 19. Commissioner Molnar seconded the motion, which passed 4-0. The vote was left open for Commissioner Schneider.

(388) In the matter of the Commission's discussion of D2006.8.114 - Havre Pipeline Co. - in the matter of the application of Havre Pipeline Company to increase rates and charges for Farmstead Services:

Commissioner Jergeson moved to approve the Havre Pipeline Company's request for interim rate for Farmstead Service at \$6.5671 per mcf effective October 1, 2006. Commissioner Raney seconded the motion, which passed 4-0. The vote was left open for Commissioner Schneider.

There being no further business to come before the Commission the meeting was adjourned.

GREG JERGSON, Chairman

BRAD MOLNAR, Vice Chairman

DOUG MOOD, Commissioner

ROBERT H. RANEY, Commissioner

THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Connie Jones
Commission Secretary

(SEAL)